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A '47%' Solution for Romney

When he is attacked for his comments about Americans who don't pay taxes, the candidate can counter that the president's policies are stifling opportunity.

By ARTHUR C. BROOKS

As Democrats bewailed their candidate's performance at the presidential debate last week in Denver, they often noted with astonishment that President Obama didn't bring up "the 47%." Many assumed that Mr. Obama would assail Mitt Romney for his comments (recorded on video surreptitiously at a private fundraising event in May) writing off the possibility of winning the support of nearly half the electorate who don't pay federal income taxes and feel like victims.

No matter that Mr. Romney has since repudiated his remarks. Democrats want him tarred with the line, and there is no doubting that as Team Obama reloads for the second debate, on Oct. 16, advisers are telling the president to be more aggressive.

Going after Mr. Romney regarding "the 47%" will be high on the list of targets. The Republican's supposed insensitivity to the plight of ordinary Americans—long a theme of the Obama campaign—is sure to be central to the president's message until election day.

So what should Mr. Romney do?

Start by emphasizing two facts. First, low-income Americans are struggling by any measure. Median household income has fallen for five straight years. While the unemployment rate announced last week fell below 8% for the first time in nearly four years, the true level of unemployment (the percentage of Americans who are unemployed, involuntarily working part-time or have given up looking for work) is still nearly 15%. The poverty rate is stuck close to 12% and shows no signs of declining.

Second, economic opportunity is declining. Data from the Federal Reserve Bank of Boston reveal that from 1980-90, 21% of Americans in the bottom income quintile rose to the middle quintile or higher. From 1995-2005, that percentage had fallen by nearly a third, to 15%. Many studies find that economic mobility today is higher in Europe than in the United States.

These may seem to be simple facts for Mr. Romney to acknowledge. Yet, strangely, the theme of this year's Republican convention was a cheerful affirmation that America is still the land of opportunity. Struggling Americans can be forgiven for saying that they don't believe it, and that the Republicans seem out of touch. That is why the 47% comment created such a potent political opportunity for Mr. Obama.

Think of America in 2012 as an apartment building. In the penthouse, people are living pretty well—while the folks in the lower floors are getting flooded out. Unfortunately, the elevator hardly works anymore.

Mr. Obama's only solution is to throw rocks at the top floor. The reason for our ruinous national debt? "Millionaires and billionaires" simply need to "pay their fair share"—despite the fact that eliminating the Bush-era tax cuts for households making over \$250,000 a year would reduce the deficit by a paltry 5% annually. "You didn't build that," Mr. Obama lectures entrepreneurs, derisively accusing them of thinking they are smarter and harder-working than everyone else.

Mr. Romney needs to say how he intends to fix America's elevator. That means promising three things.

- First, he needs to commit to an education system that serves kids, not rent-seeking adults. With little performance to show for it, public-school spending per child in America has increased by 35% in inflation-adjusted terms since 1992, according to the U.S. Census Bureau. California's education system consumes 52% of that state's Greek-style budget. Meanwhile, the Chicago schoolteachers last month rejected a 16% pay raise over four years and went on strike. Kids—especially poor kids—have the moral right to schools that deliver a brighter future, not an economy in ruins.
- Second, Mr. Romney can promise to fight for people of modest means who want to better their lives through hard work and private enterprise. At present, the government is working against them.

A good way to measure entrepreneurship among the economically vulnerable is by studying the percentage of laid-off workers seeking to start businesses. According to economist Scott Shane of Case Western Reserve University, the percentage of job-seeking business starters fell to 4% from 11% between 2007 and 2010. This is no surprise, given the labyrinthine regulatory and licensing complexity facing small business and the specter of exploding tax rates.

Politicians' corporate cronies may be able to navigate the policy uncertainty of Obamanomics, but the little guy hardly has a chance. Mr. Romney should remind voters that in today's anti-poor policy environment, their immigrant ancestors might well have chosen to stay home.

- Third, the Romney campaign must go on offense regarding the culture of family and work. My colleague Charles Murray's best-selling book "Coming Apart" shows clearly that the predictors of a happy, successful life are cultural, most notably family, community and work ethic.

The bottom 20% in America are not stuck because their welfare support is insufficient. It is because these cultural institutions are not helping them lead the lives they deserve. Volumes of research have shown that Great Society welfare policies—such as public housing and aid to families with dependent children—fueled family dissolution, community fragmentation, generational joblessness and government dependency. Many of Mr. Obama's welfare and redistribution policies are encouraging a return to these conditions.

Armed in this way, Mr. Romney should be eagerly anticipating Mr. Obama's inevitable "47%" attacks. He can counter that the Obama administration has proved itself more adroit at excuse-making and blame-shifting than creating opportunity, and that the administration seems ideologically incapable of pursuing the policies that fulfill the moral promise of earned success for all Americans. Instead of appearing insensitive, Mr. Romney has an opportunity to show some legitimate and righteous anger on behalf of Americans who are struggling—and to provide real solutions to do right by them for the first time in four years.

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